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CIA Shipped Arms From Brazil, India

For more than 10 years the Central Intelligence Agency has used a Maryland bank for secret arms shipments to "clients" around the world. Purchase records obtained by our associates Corky Johnson and Donald Goldberg detail arms transactions totaling \$21 million through the First National Bank of Maryland in Baltimore. Two shipments worth a total of \$5 million involved the purchase and delivery of about 100,000 rifles in a complex transaction apparently winked at by the bank management.

The rifle shipments originated in Brazil and India, according to the documents, but the destinations listed are suspect. Several ports were crossed out on the original shipping papers and new destinations written in.

The arms deals were initiated by a CIA front called Associated Traders, and handled by Sherwood International Export Corp., a large arms broker licensed with the State Department. Sherwood has offices in Los Angeles, Miami, London and Washington, D.C.

The bills of lading indicate that Associated bought 60,000 rifles from the Indian Defense Ministry for \$3.6 million in September 1983. The original destination was given as Portugal, but a corrected listing showed the destination as "Any U[nited] K[ingdom] Port." Sources told us the rifles undoubtedly were delivered to Mujaheddin guerrillas fighting Soviet occupation forces in Afghanistan.

A year earlier, Associated bought \$1.8 million in rifles from Brazil. There was an additional \$1

million purchase of "merchandise" from Brazil that listed Baltimore as the destination. Shipping Brazilian guns to Maryland makes little sense; observers in Nicaragua say the CIA-backed rebels known as contras there have been known to use Brazilian weapons in their fight against the Sandinista regime.

The Brazilian and Indian arms transactions were handled through Sherwood, which, records show, was the purchase and transfer agent for Associated on several major arms deals. In the past, Sherwood president Michael Kokin has denied that his company worked with the CIA. He did not return our calls for comment on this story.

Associated also used Shimon Ltd., a Cayman Islands firm, for weapons shipments. One of these was a \$9.4 million shipment of "technical goods"—industry jargon for military hardware—sent to Lagos, Nigeria. Lagos would be a convenient way station for weapons going to the CIA-backed Angolan rebel leader, Jonas Savimbi.

Little is known about the Shimon firm because of strict Cayman Islands secrecy laws. But it does share the same registration agent on the islands as a Sherwood subsidiary, Cromwell Ltd.

John Keating, a Bethesda attorney and director of Associated Traders, said he could not comment on any CIA connection with the company. He said he has "very secretive clients."

First National Bank officials also declined to comment. But as we have disclosed, a former bank officer, Robert Maxwell, resigned when he was unable to get written authorization from his superiors to handle the CIA front's transactions.